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S E C R E T SECTION 01 OF 02 TEGUCIGALPA 000214

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E.O. 12958: DECL: 02/03/2036

TAGS: [PGOV](#) [PREL](#) [ETRD](#) [ECON](#) [PINR](#) [CH](#) [TW](#) [HO](#)

SUBJECT: HONDURAS APPEARS TO BE CONSIDERING CHANGE OF
RECOGNITION FROM TAIWAN TO THE PRC; MONEY OR POLITICS?

REF: A. USDAO TEGUCIGALPA HO IIR 6 841 9879 06

- [1](#)B. USDAO TEGUCIGALPA HO IIR 6 841 9882 06
- [1](#)C. TEGUCIGALPA 01833
- [1](#)D. TEGUCIGALPA 01691
- [1](#)E. BEIJING 01238

Classified By: Ambassador Charles Ford; Reasons 1.4 (b) and (d).

[1](#)1. (U) This is an Action request. See paragraph 6.

[1](#)2. (S/NF) The Peoples Republic of China (PRC) appears to be attempting to extend its influence into the Central American region at the expense of Taiwan. The left-of-center ideological shift of the Zelaya administration has provided the PRC opportunities to gain a foothold in Central America. Personal issues with the current Taiwanese Ambassador and enormous financial development money may succeed in diminishing Taiwan's footprint and influence. As discussed in ref A, the Zelaya Administration has been exploring contacts and opinions over expanded relations with the Peoples Republic of China (PRC). Recently, a delegation from the PRC offered Honduras a 2.5 USD billion hydroelectric project. The offer was made to President Manuel "Mel" Zelaya Rosales at the Presidential palace on January 31. A second round of regional country meetings were supposed to occur the morning of February 3.

[1](#)3. (S/NF) In earlier meetings with the Ambassador and the DCM, new administration officials asked about U.S. Government recognition of the PRC and our working relations with Taiwan. Minister of Foreign Affairs (MFA) Milton Jimenez Puerto asked how our relations with the two nations worked and what the U.S. Government would think about Honduras extending recognition to the PRC and withdrawing it from Taiwan. In a meeting with the Minister of Defense (MOD) Aristides Mejia, Mejia questioned the DCM about trade possibilities with the PRC. In a public mass the morning of February 3, next to the El Salvadoran, Chilean, and Taiwanese Ambassadors, Juan Antonio Bendeck, head of the parastatal electrical company ENEE, a minister-level advisor on energy, and an excellent contact of the Embassy, told the Ambassador that the Taiwanese Ambassador needed to hurry up and get his people into his office, that he had already seen four delegations from the PRC. His statements were made in English, and not

too discretely, given the fact that the neighboring ambassadors all speak English, demonstrating an apparent willingness to let all present know of the situation while indirectly seeking U.S. reaction and opinion.

14. (S/NF) DAO and other Embassy sources have stated for the last three weeks that the PRC was trying to make inroads into Honduras and Central America, especially with the ideological shift in governments that just occurred. President Zelaya did not personally meet with the Taiwanese delegation directly when they were here for his inauguration (ref A) and he has asked for the replacement of the current Taiwanese Ambassador, due to an apparent concern over his level of influence within the country and closeness to the outgoing Maduro Administration. These actions seem to show an Administration floating trial balloons about a possible change of recognition from Taiwan to the PRC.

5.(S/NF) Comment: Post believes that these inquiries from the new administration are a possible attempt to disguise its shift of recognition of the PRC. Taiwanese economic activity dwarfs PRC economic activity in Honduras (refs C and D). Embassy officials have discussed with the new GOH counterparts the prospects of trade with PRC and how the financial impact is not significant. Difficulties with the current Taiwanese Ambassador appear to have been dealt with, and his replacement is supposed to be in country within the next couple months. It appears the Zelaya Administration may be using the Ambassadorial issue and desire for PRC investment as a pretext for what could turn out to be an ideological shift. On the other hand, it may just be an attempt by the GOH to gouge the PRC (or Taiwan) to see which can come up with the best aid package (see ref E in which the GOH reportedly asked Beijing for a USD 40 billion aid package spread over five years ((USD 8 billion per year)) to switch

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its recognition to the PRC.) End Comment.

16. (SBU) Action request: Post requests Department guidance on the appropriate course of action. What should our response to the new administration be on this issue and to what extent should we engage them on this issue? In addition, post requests press guidance on this issue in case it becomes an issue of public discussion.
Ford